



Morning Alert - Friday, March 23, 2018

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## HEADLINES

### Morning news

NHK led with a report that an earthquake with a seismic intensity of 4 on the Japanese scale hit Miyagi this morning, saying that no tsunami warning has been issued. The network also reported on President Trump's decision to impose tariffs on steel and aluminum imports starting this afternoon Japan time, saying that Japan is also subject to the tariff measures. NTV, Fuji TV, and TV Asahi gave top play to reports that former ROK president Lee was arrested Thursday midnight on graft charges, saying that he is the fourth former president to be arrested in South Korea. TBS led with updates on the Moritomo Gakuen scandal.

Major front-page stories in national papers included the ruling LDP's consensus on retaining Paragraph 2 of Article 9 of the Constitution, President Trump's signing of an executive order restricting Chinese imports, and the arrest of former South Korean President Lee.

## ECONOMY

### Growing concern of a "trade war"

All dailies highlighted President Trump's signing on Thursday of an executive order imposing hefty tariffs on Chinese imports, voicing fear of a looming trade war between the world's two largest economies to be triggered by retaliatory actions by the Chinese. The dailies focused on comments made by a Chinese Foreign Ministry spokesperson, who said yesterday: "We are completely opposed to America's trade protectionism. China will absolutely not sit idly by and watch its legitimate interests be damaged. We will take necessary countermeasures without fail."

Asahi and Nikkei asserted that the Trump administration's hard line on trade appears to be gaining momentum with the tariffs against Chinese products following the heavy duties on foreign metal

imports. Asahi speculated that the U.S. leader has long been frustrated with the failure of WTO rules to curb China's trade malpractices, including intellectual property violations. In an analysis piece, Yomiuri projected that global trade may shrink as a result of a trade war between the two countries. Mainichi conjectured that since ensuring economic stability is one of the foremost goals of the Xi-led Chinese government, Beijing may initially choose to only hint at countermeasures in order to seek U.S. concessions.

### **Japanese metals to be subject to U.S. tariffs**

In reports on the Trump administration's plan to impose steep tariffs on foreign steel and aluminum imports starting on Friday, Yomiuri and Tokyo Shimbun took up the disclosure by USTR Lighthizer during a Senate hearing on Thursday that metal imports from the EU, South Korea, and five other nations will be excluded from the tariffs. The papers concluded that the tariffs will probably be imposed on Japanese metal products at least initially.

### **Cabinet minister comments on CPTPP**

Sankei published an interview with Economic and Fiscal Policy Minister Motegi, who spoke on the recent signing of the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP). While saying that Colombia, Taiwan, South Korea, Thailand, and the UK have already expressed interest in joining the regional free trade scheme, the minister said the 11 members are willing to offer relevant information and exchange views on their possible membership. As for the U.S.'s potential return to the group, Motegi was quoted as saying: "I think the TPP is becoming more broadly appreciated in the United States. However, as the pact was very delicately crafted by fine-tuning various competing interests, it would be difficult to pinpoint only certain portions of the accord for renegotiation. Since there are various venues for discussions with the U.S., we would like to hear their views eventually." The official underscored the member states' strong commitment to the swift effectuation of the agreement, possibly as soon as early next year.

### **Japan to maintain safeguard mechanism against U.S. beef**

Nikkei reported that the existing safeguard mechanism against a surge in American beef imports will be maintained on account of the U.S.'s withdrawal from the TPP. The paper explained that the safeguard system, designed to protect the domestic cattle industry by restricting foreign imports, was set to be abolished in the event of the effectuation of the original TPP because almost all foreign beef was expected to come from the U.S. and other TPP members. However, the GOJ has decided to maintain the beef safeguard due to the U.S.'s withdrawal from the TPP. The daily projected that beef imports from Canada and New Zealand may increase since the conditions for triggering safeguards against their products will be drastically relaxed.

<b>SECURITY</b>
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### **GSDF Ground Central Command to be established next week**

Mainichi and Yomiuri reported on the GSDF announcement on Thursday that it will launch on March 27 a Ground Central Command (GCC) that will serve as a unified nationwide command center over the five regional armies so as to be better prepared for regional contingencies, including the possible invasion of the Senkaku Islands by China. In order to enhance the defense of the disputed outcrops and other Nansei Islands, the GSDF will also establish an Amphibious Rapid Deployment Brigade (ARDB), which will be based in Nagasaki.

Yomiuri said there are issues that need to be addressed in order to make the ARDB effective, noting that transporting personnel and amphibious equipment from Nagasaki to problem areas may not be easy since the planned deployment of 17 Ospreys at Saga Airport has effectively been derailed. Mainichi wrote that the GCC is being established to increase flexibility in deploying personnel nationwide in view of China's aggressive naval operations in the East China Sea. The daily added that since the GSDF has suffered from hefty spending cuts compared with the MSDF and the ASDF following the end of the cold war, it is keen to play up its *raison d'être* in order to defend its turf ahead of the planned updating of the National Defense Program Guidelines in December.

## **INTERNATIONAL**

### **Prime Minister Abe to meet with former President Obama**

All papers took up the announcement made by Chief Cabinet Secretary Suga yesterday that former President Obama will visit Tokyo over the weekend and that Prime Minister Abe will have lunch with him on Sunday. Yomiuri predicted that the two are likely to discuss North Korea and other security challenges in East Asia. Asked by a reporter about the significance of the planned luncheon, the government spokesman said: "It has no significant meaning at all. It will probably be an occasion to reaffirm mutual bonds."

